



POLICY REGISTER

Last updated April 2020

CONTENTS

Ends	A – Ends
Executive Limitations	B – Global Executive Constraint B1 – Financial Condition B2 – Planning and Budgeting B3 – Asset Protection B4 – Membership Rights and Responsibilities B5 – Treatment of Consumers B6 – Staff Treatment and Compensation B7 – Communication to the Board B8 – Board Logistical Support B9 – GM Succession
Board Process	C – Global Governance Commitment C1 – Governing Style C2 – The Board’s Job C3 – Agenda Planning C4 – Board Meetings C5 – Directors’ Code of Conduct C6 – Officers’ Roles C7 – Board Committee Principles C8 – Governance Investment
Board- Management Relationship	D – Global Board-Management Connection D1 - Unity of Control D2 – Accountability of the GM D3 – Delegation to the GM D4 – Monitoring GM Performance
Emergency Operation	E - Cooperative Operation without General Manager
Appendices	<i>Suggested appendices include:</i> <i>Bylaws</i> <i>Board Annual Calendar and Monitoring Schedule</i> <i>Committee Charters</i> <i>Conflict of Interest Disclosure form</i> <i>Monitoring Decision Tree</i> <i>Statement on the Cooperative Identity</i> <i>4 Pillars of Cooperative Governance article</i> <i>Policy Governance Source Document</i>

Policy Type: Ends

Policy Title: A – Global End

Last Revised: **September 6, 2016**

WE Market Cooperative foster a healthy, thriving community and promotes positive social, economic, and environmental change.

Policy Type: Executive Limitations

Policy Title: B – Global Executive Constraint

Last Revised: **December 2018**

The General Manager shall serve as a conduit for transparent operation of Cooperative endeavors and communications with the Board.

The General Manager must not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Policy Type: Executive Limitations
Policy Title: B1 – Financial Condition and Activities
Last revised: **August 2019**

With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry.

The GM must not:

1. Allow sales growth to be inadequate.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Allow growth in ownership and owner paid-in equity to be insufficient.
6. Default on any terms that are part of the Cooperative's loans.
7. Allow late payment of contracts, payroll, loans, or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. Acquire, encumber or dispose of real estate.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Allow late payment of donations.
12. Use restricted funds for any purpose other than that required by the restriction.
13. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

Policy Type: Executive Limitations
Policy Title: B2 –Planning and Financial Budgeting
Last revised: **December 2018**

The General Manager must not operate without annual and multi-year budgets and plans that address intentional and improved Ends accomplishment along with avoidance of fiscal jeopardy.

The GM must not:

1. Create plans or budgets that
 - a. Risk incurring those situations or conditions described as unacceptable in the Board policy B1 “Financial Condition and Activities.”
 - b. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
 - c. Do not address excellence in business systems and operations.
 - d. Have not been tested for feasibility.
2. Fail to meet regularly with a CDS Consulting Co-op consultant or other qualified consultant, at the discretion of the Board.
3. Provide less funding for Board prerogatives during the year than is set forth in the board budget.

Policy Type: Executive Limitations

Policy Title: B3 – Asset Protection

Last revised: **CBLD Template: January 2, 2014**

The General Manager must not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM must not:

1. Allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Allow improper usage of members' and customers' personal information.
6. Allow purchasing that is uncontrolled or subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow damage to the Cooperative's public image.

Policy Type: Executive Limitations

Policy Title: B4 – Membership Rights and Responsibilities

Last Revised: **CBLD Template: January 2, 2014**

The General Manager must not allow members to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

1. Create or implement a member equity system without the following qualities:
 - a. The required member equity, or fair share, is determined by the Board.
 - b. Members are informed that equity investments are a) at risk, and b) generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Cooperative's financial viability.
 - c. Equity will not be refunded if such refunds would lead to a net decrease in total member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. Implement a patronage dividend system that does not
 - a. Comply with IRS regulations.
 - b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative's net profit will be allocated and distributed to members.

Policy Type: Executive Limitations

Policy Title: B5 – Treatment of Customers

Last Revised: **December 2018**

The GM is responsible for creating and sustaining a positive shopping experience.

The General Manager must not be unresponsive to customer needs.

The GM must not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Allow an unsafe shopping experience for our customers.

Policy Type: Executive Limitations
Policy Title: B6 - Staff Treatment and Compensation
Last revised: **October 2019**

The General Manager must not treat staff in any way that is unfair, unsafe, unclear, or unsustainable.

The GM must not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough handling of grievances.
 - c. Are accessible to all staff.
 - d. Inform staff that employment is neither permanent nor guaranteed.
 - e. Fail to be updated annually and in consultation with a third-party HR specialist.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
4. Establish compensation and benefits that are internally or externally inequitable.
5. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations
Policy Title: B7 – Communication to the Board
Last Revised: **December 2018**

GM will cooperate fully with the Board regarding reports, events, and other areas in need of support.

The General Manager must not cause or allow the Board to be uninformed or unsupported in its work.

The GM must not

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report in an untimely manner any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
3. Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
4. Withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
5. Deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.
6. Fail to supply for the Board's consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.

Policy Type: Executive Limitations

Policy Title: B8 –Board Logistical Support

Last Revised: **CBLD Template: January 2, 2014**

The General Manager must not allow the Board to have inadequate logistical support.

The GM must not:

1. Provide the Board with insufficient staff administration to support governance activities and Board communication.
2. Allow the board to be without a workable mechanism for official board, officer or committee communications.
3. Allow directors to be without an updated copy of the Policy Register and the Bylaws.
4. Provide inadequate information and notice to members concerning Board actions, meetings, activities and events.
5. Allow insufficient archiving of board documents.

Policy Type: Executive Limitations

Policy Title: B9 – Emergency GM Succession

Last revised: **CBLD Template: January 2, 2014**

To protect the Board from sudden loss of GM services, the GM must not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable her/him to take over with reasonable proficiency as an interim successor.

Policy Type: Board Process

Policy Title: C – Global Governance Commitment

Last Revised: **CBLD Template: January 2, 2014**

Acting on behalf of our owners, the Board ensures the success of the Cooperative by working together effectively, empowering and holding accountable professional management, providing strategic leadership for our Cooperative, and perpetuating our democratic organization.

Policy Type: Board Process
Policy Title: C1 – Governing Style
Last Revised: **CBLD Template: January 2, 2014**

We will govern in a manner consistent with the Four Pillars of Cooperative Governance (Teaming, Accountable Empowerment, Strategic Leadership, Democracy). In order to do this, we will:

1. Be a strategic leader by focusing our vision outward and toward the future.
2. Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between board and management responsibilities.
 - a. Observe the 10 Policy Governance principles (Ends Policies, Ownership, Board Process Policies, Board Holism, Board-Management Relationship Policies, Governance Position, Limitations Policies, Policies/Decisions Come in Sizes, Any Reasonable Interpretation, Monitoring)
3. Maintain team discipline, authority and responsibility.
4. Practice the habits of a successful democracy.
5. Obey all relevant laws and bylaws.

Policy Type: Board Process
Policy Title: C2 – The Board’s Job
Last Revised: **CBLD Template: January 2, 2014**

In order to govern successfully, we will:

1. Practice, protect, promote and perpetuate a healthy democracy for our Cooperative.
2. Hire, compensate, delegate responsibility to, and hold accountable a General Manager.
 - a. Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
3. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
4. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
5. Perpetuate the Board’s leadership capacity using ongoing education and training, a robust recruitment, qualification and nomination process and fair elections.
6. Perform other duties as required by the bylaws or because of limitations on GM authority.

Policy Type: Board Process
Policy Title: C3 – Agenda Planning
Last Revised: **September 6, 2016**

We will follow a strategic multi-year workplan and annual agenda that focuses our attention upward and outward.

1. We will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year workplan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
2. Board meeting agendas will be developed by the Board president in consultation with the GM, and may be modified at the meeting by a majority vote of the Board.

Policy Type: Board Process

Policy Title: C4 – Board Meetings

Last Revised: **CBLD Template: January 2, 2014**

Board meetings are for the task of getting the Board's job done.

1. We will use Board meeting time only for work that is the whole Board's responsibility. We will avoid committee issues, operational matters, personal concerns and other topics that are not the highest and best use of our time.
2. Meetings will be open to the membership except when executive session is officially called.
 - a. We may occasionally use executive session to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.
3. We will seek consensus through discussion. We will then finalize and document decisions through the use of motions, seconds and majority vote.

Policy Type: Board Process
Policy Title: C5 – Directors’ Code of Conduct
Last Revised: **January 2019**

We each commit ourselves to ethical, professional and lawful conduct.

1. Every director is responsible at all times for acting in good faith - in a manner which she/he reasonably believes to be in the best interests of the Cooperative and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative’s owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer, member, vendor, landlord.
 - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity, and equal access to “inside” information.
 - b. At a new director’s first board meeting, he/she will complete the “Conflict of Interest Disclosure” form, and will verbally report to the whole board the potential conflicts. Any subsequent potential conflicts will be reported to the whole board immediately.
 - c. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
 - d. No current employee shall serve as a board member.
3. Directors may not attempt to exercise individual authority over the organization.
 - a. Directors must carefully and openly recognize their lack of individual authority, when interacting with the GM or employees.
 - b. Directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions, when interacting with the public, the press, or other entities,
 - c. Directors must be aware of their role in presenting a positive image of the Cooperative to the public.
4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for, attend, and participate fully in all Board meetings and trainings.
6. Directors will support the legitimacy and authority of the Board’s decision on any matter, regardless of the director’s personal position on the decision/issue.
7. Any director who does not follow the code of conduct policy can be removed from the Board by a vote of a simple majority of the members present at the annual meeting or a special meeting.

Policy Type: Board Process
Policy Title: C6 – Officers’ Roles
Last Revised: **April 2020**

The Board will elect a President, Vice President, Secretary and a Treasurer in order to help it accomplish its job. This will take place at the first Board meeting following the board elections at the annual meeting. No officer has any authority to supervise or direct the GM.

1. The president shall:
 - a. ensure that the Board acts consistently with Board policies.
 - b. make decisions that are consistent with Board Process and Board-Management Relationship policies in order to facilitate the Board’s functioning
 - c. chair and set the agenda for Board meetings.
 - d. plan for leadership (officer) perpetuation.
 - e. represent the Board to outside parties.
 - f. sign as President, with the Secretary, or Secretary/Treasurer, all of the Co-op’s contracts, notes, deeds, and conveyances of real estate.
2. The vice-president shall
 - a. perform the duties of the president in her/his absence.
 - b. be responsible for submission of legal documents to the government.
3. The Secretary shall:
 - a. Cause to be kept a complete record of the meetings of the Co-op and of the Board of Directors at the Co-op’s principle place of business
 - b. Sign as Secretary, with the President, all of the Co-op;s notes, deeds and other conveyances
 - c. Cause to be prepared and submit to the annual meeting of the members a summary report of the prior year’s business. The report shall contain such statements and statistical memoranda as the Board of Directors shall require.
 - d. Serve all notes as required by law.
4. The treasurer shall:
 - a. cause to be kept all necessary financial records of the Co-op
 - b. sign all certificates of Co-op stock
 - c. cause to be prepared and submit to the annual meeting of members a statement of current assets and liabilities and a statement of income and expenses for the prior fiscal year.
 - d. lead the Board’s process for creating and monitoring the Board’s (not the Cooperative’s) budget.
 - e. facilitate the Board’s understanding of the financial condition of the Cooperative
 - f. perform oversight of Cooperative’s financials quarterly.
5. Officers may delegate their authority but remain accountable for its use.

Policy Type: Board Process
Policy Title: C7 – Board Committee Principles
Last Revised: **April 2019**

We will use Board committees only to help us accomplish our job. Each Board member is required to actively serve on at least one committee.

1. Committees will reinforce and support Board holism.
 - a. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
3. The Board will establish, annually review, and control committee responsibilities in written committee charters.
 - a. These charters will clearly state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.
 - b. Charter template can be found in the Appendix.

Policy Type: Board Process
Policy Title: C8 – Governance Investment
Last Revised: **April 2019**

We will invest in the Board’s governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - a. We will use training and retraining liberally to orient new directors and board candidates, as well as to maintain and increase existing directors’ skills and understanding.
 - b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - d. We will use professional and administrative support as needed.
3. We will develop the Board’s annual budget in a timely way so as to not interfere with the development of the Cooperative’s annual budget. In no case will we complete this work later than the October Board Meeting.

Policy Type: Board-Management Relationship
Policy Title: D – Global Board-Management Connection
Last Revised: **December 2018**

The General Manager shall serve as a conduit for transparent operation of Cooperative endeavors and communications with the Board.

The Board's sole official connection to the operations of the Cooperative will be through the General Manager.

Policy Type: Board-Management Relationship

Policy Title: D1 – Unity of Control

Last Revised: **CBLD Template: November 22, 2008**

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

Policy Type: Board-Management Relationship

Policy Title: D2 – Accountability of the GM

Last Revised: **December 2018**

The General Manager is the Board's only link to operational achievement and conduct.

1. The Board will view GM performance as identical to organizational performance so that organizational accomplishment of Ends and organizational operation within Executive Limitations will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM.
3. The Board will hold GM accountable for meeting regularly with a CDS Consulting Co-op consultant or other qualified consultant.
 - a. Frequency and term to be determined by the Board based on varying factors including but not limited to: current grocery climate, recommendations of said consultant, status of GM monitoring reports, and sales growth.

Policy Type: Board-Management Relationship

Policy Title: D3 – Delegation to the GM

Last Revised: **January 2019**

The Board delegates authority to the GM through written Ends and Executive Limitations policies.

1. As long as the GM uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the GM is authorized to establish all further policies, practices and plans for the Cooperative.
2. The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies.
3. If the Board changes an Ends or Executive Limitations policy, the change shall not be retroactive.

Policy Type: Board-Management Relationship
Policy Title: D4 – Monitoring GM Performance
Last Revised: **December 2018**

The Board will systematically and rigorously monitor and evaluate the GM’s job performance compared to expectations set forth in Board policies.

1. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy.
2. In every case, the Board’s standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but we will always judge with a “reasonable person” test rather than with interpretations favored by individual directors or by the Board as a whole.
3. The Board will accept that the GM is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
4. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
5. The Board’s annual evaluation of the General Manager will be based on a summary of monitoring reports received throughout the year, in addition to quarterly reports from the GM Evaluation committee. The Board will make its decisions concerning the evaluation and the compensation package for the upcoming contract term no later than the 2nd-to-last month of the GM’s contract cycle.

Policy Type: Emergency Operation
Policy Title: E Global -- Cooperative Operation without General Manager
Last Revised: **June 24, 2019**

In the event that the General Manager position is vacated with less than 60-days notice, or the General Manager is unable to fulfill all duties, the Board will ensure that operational duties and monitoring for Policy Governance as necessary to keep the Cooperative running, only as needed and until the position is adequately filled.

APPENDICES

**Code of Conduct Agreement
For Board of Directors**

I agree to abide by Board Policy C5 Code of Conduct and any subsequent changes the board makes to that policy. I understand that if, in the opinion of 2/3 of Cooperative directors, I have violated the letter or spirit of the Code of Conduct, the board has the ability to vote to remove me from the board in accordance with policy C5.

According to Policy C5 I have an affirmative duty to disclose my actual and potential conflicts of interests, including relationships (such as with associations, organizations of which our Cooperative is a member, Cooperative employees and vendors) which may pose a conflict of interest in whole or in part with respect to my service on the board. These are listed below. I understand that I have a duty to disclose any additional actual or potential conflicts that may arise and to abide by board policy regarding participation in matters under consideration by the board.

Print Name of Director/Candidate

Signature

Date

Note: This form is to be completed by all directors annually, within one month following board elections.

Whole Earth Market Co-op Committee Charter Template

Purpose: The purpose of the XXXXX Committee is to

Type of Committee:

- Standing or Special

Membership:

- Size
- Composition: Board only or open to members, owners, or public
- Voting privileges
- Term or Term limits

Chairperson:

- How selected, election or appointment (by whom)
- Term
- Co or vice-chair for standing committees?

Activities, Duties, & Responsibilities: The job of the XXXXX Committee is to:

Delegation of Authority:

- Decisions requiring formal Board approval
- Decisions that can be made at the committee level

Standard Committee Procedures:

- Frequency of meetings
- Deadline norms
- Minutes or notes

Customization:

Authored by:

Print Name

Signature

Date

Date approved by Board:_____.

BOD Calendar Last Revised: April 2019

Item	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Education	New Member Orientation			Register for CBL 101	History of U.S. Food co-ops	CBL 101	CDS - Small & Strong Co-op Month	Yearly Reflection: What have we learned? How can we integrate this learning/lead into the future?	Yearly Review and Update of next year's education plan			CBLD Cooperative Café
Admin. Tasks	Election of Board Officers Committee Assignments Welcome new directors: New Board Member orientation Hand-out / Update Binders Assign Mentors Sign Liquor License			BOD Retreat Work on multi-year budget with GM		Start 2020 calendar	BOD Budget finalized Review GM Compensation Proposal Reserve site & arrange for speaker for AM	Finalize GM Evaluation	Review calendar for next year	Reserve Library room for monthly meetings. Finalize GM Compensation Decision Review Annual Meeting Agenda & assignments Arrange childcare for AM	Prep for Annual Member Meeting Present GM Compensation RFP Deadline for BoD Candidates; 30 days prior to AM	Farewell to departing directors Post BoD Candidates photos & bios in store
Monitoring	B4 - Membership Rights & Responsibilities B7 - Communication to the Board	B1 - Financial Condition & Activities	B6 - Staff Treatment	B3 - Asset Protection	B1 - Financial Condition & Activities	B5 - Treatment of Customers	B8 - Board Logistical Support B9 - Emergency GM Succession	B1 - Financial Condition & Activities	B2 - Planning and Financial Budgeting	None	Global Ends B1- Financial Condition & Activities	Annual Meeting
Monitoring	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member	Random Monthly per board member
Member Newsletter		Board Newsletter: Shopping Values vs. value			Board Newsletter : Shop Local		Owner Appreciation Month	Board Newsletter: Board Recruitments Board help bag Wed before TG and Fri After			Board Newsletter: Save the Date: Annual Meeting	ANNUAL MEETING (AM)

Community Events	Blue Grass Festival UWRF Rodeo? Earth Day	*Farmers Market - thru Oct *Sunday Car Shows - 1/mo thru Oct	*Chill on the Hill - thru Aug *Music in the park - thru Aug	RF Days RF Days Parade	Prairie Burn	Art on the Kinni Bacon Bash	UWRF Rodeo? Farmers Market Art Crawl	River Dazzle	Hudson Co-op Winter Market		Chamber of Commerce Annual meeting Bird Observation Day	Bowls for Hope
Month	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar

POLICY GOVERNANCE® SOURCE DOCUMENT

Why a Source Document?

A “source” is a point of origin. A source document is a “fundamental document or record on which subsequent writings, compositions, opinions, beliefs, or practices are based.” (Websters)

Without a simply expressed clear point of source, interpretations, opinions, writings and implementations may intentionally or unintentionally diverge from the originating intent and ultimately be undifferentiated. The point of source (“authoritative source”) is John Carver, the creator of Policy Governance, with Miriam Carver his fellow master teacher.

Without a simply expressed clear source document, Policy Governance is not reliably grounded and not transferable as a paradigm of governance. It is left vulnerable to interpretation, adaptation and impotence. This document has been produced by the International Policy Governance Association and approved by John and Miriam Carver as being true to source.

What Policy Governance is NOT!

1. Policy Governance is not a specific board structure. It does not dictate board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a board should do or say about group dynamics, methods of needs assessment, basic problem solving, fund raising, managing change.
4. Policy Governance does not limit human interaction or stifle collective or individual thinking.

What Policy Governance IS!

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that boards exist and the nature of board authority, Policy Governance integrates a number of unique principles designed to enable accountable board leadership.

Principles of Policy Governance

1. **Ownership:** The board exists to act as the informed voice and agent of the owners, whether they are owners in a legal or moral sense. All owners are stakeholders, but not all stakeholders are owners, only those whose position in relation to an organization is equivalent to the position of shareholders in a for-profit corporation.
2. **Position of Board:** The board is accountable to owners that the organization is successful. As such it is not advisory to staff but an active link in the chain of command. All authority in the staff organization and in components of the board flows from the board.
3. **Board Holism:** The authority of the board is held and used as a body. The board speaks with one voice in that instructions are expressed by the board as a whole. Individual board members have no authority to instruct staff.
4. **Ends Policies:** The board defines in writing its expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects. These are Ends policies. All decisions made about effects, recipients, and worth are Ends decisions. All decisions about issues that do not fit the definition of Ends are means decisions. Hence in Policy Governance, means are simply not Ends.
5. **Board Means Policies:** The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as Governance Process policies and Board-Management Delegation policies.
6. **Executive Limitations Policies:** The board defines in writing its expectations about the means of the operational organization. However, rather than prescribing board-chosen means – which would enable the CEO to escape accountability for attaining Ends, these policies define limits on operational means, thereby placing boundaries on the authority granted to the CEO. In effect, the board describes those means that would be unacceptable even if they were to work. These are Executive Limitations policies.
7. **Policy Sizes:** The board decides its policies in each category first at the broadest, most inclusive level. It further defines each policy in descending levels of detail until reaching the level of detail at which it is willing to accept any reasonable interpretation by the applicable delegatee of its words thus far. Ends, Executive Limitations, Governance Process, and Board-Management Delegation policies are exhaustive in that they establish control over the entire organization, both board and staff. They replace, at the board level, more traditional documents such as mission statements, strategic plans and budgets.

8. **Clarity and Coherence of Delegation:** The identification of any delegatee must be unambiguous as to authority and responsibility. No subparts of the board, such as committees or officers, can be given jobs that interfere with, duplicate, or obscure the job given to the CEO.

9. **Any Reasonable Interpretation:** More detailed decisions about Ends and operational means are delegated to the CEO if there is one. If there is no CEO, the board must delegate to two or more delegatees, avoiding overlapping expectations or causing confusion about the authority of various managers. In the case of board means, delegation is to the CGO unless part of the delegation is explicitly directed elsewhere, for example, to a committee. The delegatee has the right to use any reasonable interpretation of the applicable board policies.

10. **Monitoring:** The board must monitor organizational performance against previously stated Ends policies and Executive Limitations policies. Monitoring is for the purpose of discovering if the organization achieved a reasonable interpretation of these board policies. The board must therefore judge the CEO's interpretation for its reasonableness, and the data demonstrating the accomplishment of the interpretation. The ongoing monitoring of board's Ends and Executive Limitations policies constitutes the CEO's performance evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands board actions inconsistent with Policy Governance, the board should use a 'required approvals agenda' or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing board to realize owner accountability. When they are not used completely, true owner accountability is not available.

Policy Governance boards live these principles in everything they are, do and say.

Produced by International Policy Governance Association in consultation with John and Miriam Carver, 2005 – 2007 – 2011.

Policy Governance® is a registered service mark of John Carver. Used with permission.

Copying permitted if attributed to source. If referenced as source document, must reference entire document and, if copied, be copied in its entirety.

Policy Governance ® is an internationally registered service mark of John Carver. Registration is only to ensure accurate description of the model rather than for financial gain. The model is available free to all with no royalties or licence fees for its use. The authoritative website for the Policy Governance model is www.carvergovernance.com.